

2006-2007 PERFORMANCE PLAN – SR. PORTFOLIO MANAGER, ALTERNATIVE INVESTMENTS (Mark)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
45%	AIM Program Performance vs. AIM Benchmark	Total AIM portfolio investment performance vs. Venture Economics young fund median return benchmark for measured time period. Identifiers: N/A – performance and benchmark compiled quarterly by Wilshire	Median = 0 Median +150 = 1 Median +250 = 1.5
20%	New top quartile Partnerships, Co-Investment, Direct, or Strategic Relationships	Source, evaluate and recommend action to AIM SIO (e.g., pursue due diligence, decline, or consummate) on new top quartile partnerships, co-investments, secondary, direct, or strategic investments.	None completed = 0.0 Four completed = 1.0 Six completed = 1.5
10%	Total Fund Performance	Excess return in basis points relative to total fund performance benchmark. (SJ1C – CPERSTOT)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
75%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	Demonstrate leadership within CalPERS and in the external investment community. Dimensions include leadership: <ul style="list-style-type: none"> • Within Investment Group • Trustees • CalPERS • External Investment Community 	From Schedule
10%	AIM Priorities	Implementation of AIM Strategic Review approved recommendations	From Schedule
25%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	

Supervisor's Approval: Original signed by Russell Read

Date: August 1, 2006